

ASX ANNOUNCEMENT

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PROJECTS
Mount Peake: Fe-V-Ti
Manbarrum: Zn-Pb-Ag
East Rover: Cu-Au
McArthur: Cu

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TNG FORMS STRATEGIC PARTNERSHIP AND CORNERSTONE SHAREHOLDING WITH LEADING CHINESE GROUP

***BINDING LETTER OF INTENT EXECUTED FOR \$13.4M CAPITAL
RAISING WITH JIANGSU EASTERN CHINA NON-FERROUS
METALS INVESTMENT HOLDING CO., LTD (ECE)***

Key Points:

- TNG forms strategic partnership with ECE to underpin development of Mount Peake Iron-Vanadium Project, NT.
- \$13.4M investment in TNG for a 30 per cent stake @ 11cents per share
- \$2M loan facility to underpin ongoing Pre-Feasibility work on the Mount Peake Project.
- Funding will also support the key pilot plant test work program to commercialise TIVAN™ hydrometallurgical process.
- ECE to be offered two non-executive Board positions
- ECE's affiliate to enter into separate Joint Venture on TNG's 100% owned McArthur copper project
- Agreement encompasses technical collaboration between TNG and ECE via ECE's wholly owned subsidiary in Darwin.
- Transaction subject to TNG Shareholder, FIRB and Jiangsu Provincial People's Government approvals

Australian resources company TNG Limited (ASX: TNG) is very pleased to announce that it has entered into a binding Letter Of Intent (LOI) to form a strategic partnership with Jiangsu Eastern China Non-Ferrous Metals Investment Holding Company Ltd., (ECE), a leading Chinese State-owned enterprise part of the East China Mineral Exploration & Development Bureau.

The landmark LOI, which includes a **\$13.4 million funding injection** at 11 cents per share, (representing a 19% premium to the previous closing price) will underpin the ongoing Pre-Feasibility Study and upcoming pilot plant metallurgical test work program for TNG's flagship Mount Peake Iron-Vanadium Project in the Northern Territory.

ECE is a major Chinese mineral exploration, development and mining group, based in Nanjing, which has been set up since 1955. It has over 4,000 employees and is one of the few organisations authorised by the Chinese Government to carry out geological exploration and scientific research in major State classified projects.

ECE has discovered more than 160 ore deposits in China with a potential value of in excess of \$10 billion.

Under the terms of a binding letter of intent between TNG and ECE's wholly-owned subsidiary, Jiangsu Eastern China Non-Ferrous Metals Investment Holding Co., Ltd (ECE):

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- ECE's affiliate will subscribe for 122.058 million TNG shares at an issue price of 11 cents per share to raise a total of \$13.4 million, giving it a 30% stake following completion of the transaction;
- ECE will be offered two non-executive board positions on the TNG Board;
- A\$2 million loan facility to TNG to provide interim working capital prior to the end of August to underpin the ongoing Pre-Feasibility Study and metallurgical test work program on the Mount Peake Project; provided by a private company introduced by ECE, and
- ECE also agree to enter into a separate Joint Venture Agreement through its affiliate in relation to TNG's McArthur Copper Project in the Northern Territory by funding the project.

The transaction is subject to the completion of due diligence, TNG shareholder approval and other regulatory approvals including the Australian Foreign Investment Review Board and Jiangsu Provincial People's Government.

TNG's Managing Director, Mr Paul Burton, said the establishment of a strategic partnership with ECE delivered a number of substantial benefits to the Company and represented a major turning point in its corporate development providing security for the longterm development of the company and opening up new opportunities.

"This agreement provides us with immediate funding to conclude the Pre-Feasibility Studies at Mount Peake, including the metallurgical pilot plant test work program to commercialise our proprietary TIVAN™ hydrometallurgical process," Mr Burton said.

"In addition, it will provide us with a substantial cash injection as well as the corporate and strategic backing of a major Chinese group with the technical and financial capability to underpin the development of major resource projects," he added.

"ECE has recently opened up an office and established an exploration team in Darwin, and there are excellent synergies between the two companies long term objectives," Mr Burton said. "The signing of this agreement follows a lengthy period of negotiation and extensive exchange of information, particularly on Mount Peake and on the Company's other projects"

"We are very much looking forward to working with ECE towards the completion of the Mount Peake Pre-Feasibility Study and the commercialisation of the TIVAN™ process. In addition, we are pleased that ECE have recognised the exploration potential of our newly acquired copper project in the Northern Territory and have agreed to negotiate a separate Joint Venture to earn up to 80% of the McArthur Copper Project".

"This has laid the foundations for a strong working relationship which we believe will give us access in the longer term to a range of attractive development and financing options for the Mount Peake Project and other new projects" Mr Burton added.

TNG LIMITED

Paul E Burton
Managing Director
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